

Message Text

CONFIDENTIAL

PAGE 01 VIENNA 01639 01 OF 02 011547Z

44

ACTION IO-11

INFO OCT-01 EUR-12 ISO-00 IOE-00 AF-06 ARA-06 EA-07 NEA-10

SSO-00 NSCE-00 USIE-00 INRE-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 PRS-01 SP-02 FEAE-00 OMB-01

OIC-02 /128 W

----- 073548

O P 011504Z MAR 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC IMMEDIATE 7900

INFO USMISSION USUN NEW YORK PRIORITY

C O N F I D E N T I A L SECTION 1 OF 2 VIENNA 1639

EO 11652: GDS

TAGS: PFOR, PORG, UNIDO, EIND, EAID

SUBJECT: CONSULTATIONS IN SELECTED GROUP B CAPITALS IN PREPARATION
FOR COW-II

USUN FOR ROSENTOCK

REF: STATE 047224

1. FOLLOWING ARE MISSION SUGGESTIONS FOR CONSIDERATION
IN DRAFTING OF INSTRUCTION REFTEL. MISSION WOULD PREFER
PRESENTING INSTRUCTION IN STRAIGHT NARRATIVE FORM, WITHOUT
REFERENCE TO SUCCESSIVE NUMBERED POINTS. REFERENCES
BELOW ARE TO NUMBERED PARAS REFTEL.

2. SUGGEST EXPAND SECOND SENTENCE PARA 2 TO READ
"...OF THE PRESENT UNIDO, AND WILL HAVE UNDER CONSIDERATION
THREE DRAFT CONSTITUTIONS FOR THE PROPOSED NEW ORGANIZATION,
PREPARED RESPECTIVELY BY THE UN SECRETARIAT, GROUP B
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENNA 01639 01 OF 02 011547Z

(DEVELOPED COUNTRIES) AND G-77".

3. PARAS 3 AND 4: SUGGEST TEXTS BE COMBINED INTO SINGLE PARAGRAPH TO READ AS FOLLOWS: "THE RECOMMENDATION OF THE LIMA CONFERENCE ON INDUSTRIAL DEVELOPMENT OF DEVELOPING COUNTRIES AND THE SUBSEQUENT DECISION OF THE SEVENTH SPECIAL GENERAL ASSEMBLY TO ESTABLISH UNIDO AS A SPECIALIZED AGENCY OF THE UN FACES EACH POTENTIAL MEMBER OF THE NEW ORGANIZATION WITH THE OPPORTUNITY AND NECESSITY FOR CONSCIOUSLY DECIDING WHETHER TO JOIN OR NOT TO JOIN THE NEW AGENCY. FOR ITS PART THE UNITED STATES WILL WEIGH CAREFULLY THE BENEFITS AND COSTS OF ASSUMING SUCH MEMBERSHIP. IN THE FIRST INSTANCE, THIS WILL INVOLVE AN EVALUATION OF THE ACCEPTABILITY OF THE TEXT OF THE CONSTITUTION WHICH EMERGES FROM THE WORK OF THE COW".

4. PARA 5 AND 6: SUGGEST THESE BE COMBINED INTO SINGLE PARA, WITH THIRD SENTENCE MODIFIED TO READ "CERTAIN OTHER PROVISIONS..." COMBINED PARA SHOULD BE INSERTED BETWEEN PARAS 7 AND 8 REFTEL.

5. PARA 7: SUGGEST DELETE WORD "PREREQUISITE" AND REDRAFT END OF SUBPARA (1) AS FOLLOWS: "...FOR TECHNICAL ASSISTANCE (OPERATIONAL) ACTIVITIES". WORD "OPERATIONAL" INCLUDED TO REFLECT LANGUAGE OF GROUP B DRAFT, WHILE DELETION OF REMAINDER OF SENTENCE WOULD AVOID POSSIBLE CONFUSION OVER THE MEANING OF "PARTICULAR COUNTRIES". NEITHER RELEVANT PARAS OF GA RES 2152 NOR ART. 10 BIS OF GROUP B DRAFT QUALIFY USE OF RESOURCES FOR TECHNICAL ASSISTANCE (OPERATIONAL ACTIVITIES) IN TERMS OF BENEFICIARIES. SUGGEST SUBPARA (2) BE REDRAFTED ALONG FOLLOWING LINES: "...SHALL BE MADE BY VOTING PROCEDURES THAT TAKE INTO ACCOUNT VARIATIONS AMONG THE MEMBERSHIP IN TERMS OF THEIR ACTIVE PARTICIPATION IN UNIDO AND WHICH PROVIDE FOR MAJOR CONTRIBUTORS TO THE ORGANIZATION A VOICE IN FINANCIAL MATTERS THAT WILL BE COMMENSURATE WITH THE FINANCIAL SUPPORT THEY FURNISH TO THE ORGANIZATION. THESE PROCEDURES ARE PROVIDED FOR IN ARTICLES 10 BIS, 11, 12, AND 13 OF THE GROUP B DRAFT (QUOTED BELOW),
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VIENNA 01639 01 OF 02 011547Z

SIMILAR PROCEDURES ARE USED IN INTERNATIONAL FINANCIAL ORGANIZATIONS AND ARE UNDER NEGOTIAION FOR IFAD".

6. IN PARA 9, FIRST SENTENCE, SUGGEST DELETE WORDS "A MODIFIED". PURPOSE OF DJECTIVE NOT CLEAR TO US.

7. SUGGEST PARA 10 BE REDRAFTED AS FOLLOWS: "THE PRINCIPLE OF THE SEPARATION OF THE COSTS OF OPERATIONAL

(TECHNICAL ASSISTANCE) ACTIVITIES OF UNIDO FROM THE GENERAL HEADQUARTER EXPENSES OF THE ORGANIZATION WAS FUNDAMENTALLY ESTABLISHED IN UNGA RESOLUTION 2152 (XXI) WHICH FOUNDED THE UNIDO (PARAS 20, 21, 22). THERE IS NO OTHER CONCEPTUAL APPROACH WHICH WILL SATISFY US REQUIREMENTS IN THIS RESPECT. AS INDICATED ABOVE, GROUP B ARTICLE 10 BIS FULLY MEETS THESE REQUIREMENTS. MOREOVER, ARTICLE 10 BIS IS MORE PRECISELY DRAFTED THAN THE CORRESPONDING PARAS IN RESOLUTION 2152 I THAT IT EXCLUDED FROM ASSESSED BUDGETS THE EXPENSES OF STAFF ATTRIBUTABLE TO DIRECT STAFF SUPPORT OR OPERATIONAL ACTIVITIES (I.E. THE OVERHEAD COSTS OF CARRYING OUT TECHNICAL ASSISTANCE PROJECTS). CARE WILL THUS BE REQUIRED IN THE PROCESS OF NEGOTIATING ANY ALTERNATIVE WORDING IN ORDER TO AVOID ERODING THE PRINCIPLE THROUGH SOME ELASTIC DEFINITION OF OVERHEAD COSTS ELIGIBLE FOR FINANCING THROUGH THE REGULAR BUDGET".

8. PARA 11, SUGGEST REDRAFT FIRST SENTENCE TO READ "...US MEMBERSHIP IS SATISFIED BY GROUP B ARTICLES..."

9. SUGGEST REDRAFT PARA 12 ALONG FOLLOWING LINES:
"G-77 REPRESENTATIVES AT COW-1 FORCEFULLY REJECTED CONCEPT OF WEIGHTED VOTING AND ELIMINATED IT FROM THE G-77 DRAFT. THE US RECOGNIZES THAT G-77 OPPOSITION TO THIS CONCEPT AS EMBODIED IN THE GROUP B DRAFT WILL LEAD TO STRONG AND UNIFIED RESISTANCE ON THEIR PART TO ITS INCLUSION IN AN AGREED FINAL VERSION OF THE CONSTITUTION THE US BELIEVES, NONETHELESS, THAT ANY ATTEMPT AT FUTURE SESSIONS OF THE COW TO SUBSTANTIALLY MODIFY THE GROUP B DRAFT IN THIS RESPECT OR TO SUBSTITUTE ALTERNATIVE MECHANISMS FOR THE WEIGHTED VOTING PROCEDURE WOULD BE UNLIKELY TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 VIENNA 01639 01 OF 02 011547Z

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 VIENNA 01639 02 OF 02 011557Z

44

ACTION IO-11

INFO OCT-01 EUR-12 ISO-00 IOE-00 AF-06 ARA-06 EA-07 NEA-10

SSO-00 NSCE-00 USIE-00 INRE-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 PRS-01 SP-02 FEAE-00 OMB-01

OIC-02 /128 W

----- 073703

O P 011504Z MAR 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC IMMEDIATE 7901

INFO USMISSION USUN NEW YORK PRIORITY

C O N F I D E N T I A L SECTION 2 OF 2 VIENNA 1639

PROVIDE A SOLUTION THAT THE US COULD READILY ACCEPT. ANY SUCH PROPOSAL WOULD REQUIRE THE MOST CAREFUL SCRUTINY, PARTICULARLY INsofar AS IT BORE ON THE PROCEDURES FOR CONSIDERATION OF THE PROGRAM/BUDGET AND ON POSSIBLE ESTABLISHMENT OF A BODY SUBSIDIARY TO THE IDB TO DEAL WITH PROGRAM/BUDGET QUESTIONS. IT SHOULD BE NOTED IN THIS RESPECT THAT ART. 11 OF GROUP B DRAFT ITSELF IS NOT ENTIRELY SATISFACTORY TO US, WHICH PREFERS A FORMULATION REQUIRING APPROVAL OF PROGRAM/BUDGET BY AFFIRMATIVE VOTE OF MEMBERS CONTRIBUTING AT LEAST TWO-THIRDS OF THE ASSESSED CONTRIBUTIONS CALCULATED ON BASIS ASSESSED CONTRIBUTIONS ACTUALLY PAID IN DURING PRECEDING FISCAL YEAR".

10. SUGGEST THAT PARAS 13 AND 14 BE REDRAFTED TO FORM SINGLE PARA AS FOLLOWS: "PARTICIPANTS IN COW MAY WELL NOT CREDIT SERIOUSNESS OF US INSISTENCE THAT TWO POINTS DISCUSSED ABOVE ARE PREREQUISITES FOR US MEMBERSHIP IN UNIDO AS SPECIALIZED AGENCY. THIS CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENNA 01639 02 OF 02 011557Z

DISBELIEF COULD WELL LEAD TO RESULTS THAT WOULD ALL BUT PRECLUDE POSSIBILITY OF US MEMBERSHIP IN NEW ORGANIZATION, AN OUTCOME WHICH NEITHER USG, NOR, WE PRESUME, OTHER PROSPECTIVE MEMBERS, DESIRE. IN OUR VIEW IT IS ESSENTIAL THAT A CORE OF GROUP B COUNTRIES STAND FIRM ON THESE POINTS IF SUCH A SITUATION IS TO BE AVOIDED. THE US VALUES HIGHLY THE CONSULTATIONS WHICH HAVE TAKEN PLACE AMONG GROOUP B COUNTRIES IN VIENNA PRIOR TO AND DURING THE FIRST

SESSION OF THE COW, AND HOPES THAT THESE CONSULTATIONS WILL CONTINUE IN A CONTEXT THAT WILL PROVIDE THE STRONGEST POSSIBLE MUTUAL SUPPORT. THE USG HOPES. THEREFORE, THAT YOUR GOVERNMENT WILL INSTRUCT ITS DELEGATION TO COW-III TO PRESS FOR THE CONCEPTS EMBODIED IN ARTS 10 BIS, 11, 12 AND 13 OF THE GROUP B DRAFT IN THE STRONGEST POSSIBLE TERMS, I.E., THAT THEY CONSTITUTE NECESSARY CONDITIONS FOR YOUR GOVERNMENT'S MEMBERSHIP IN THE PROPOSED NEW ORGANIZATION.

11. SUGGEST REDRAFT PARA 15 ALONG FOLLOWING LINES:
"IF GROUP B SOLIDARITY CAN BE FIRMLY STRENGTHENED BEHIND THE CRITICAL ELEMENTS OF THE CURRENT GROUP B TEXT, THE US WOULD BE PREPARED TO MOVE FROM ITS HARDER POSITION ON WEIGHTED VOTING TO FULLY ACCEPT THE PROVISIONS OF ART. 11 OF THE GROUP B DRAFT AND WOULD ALSO BE INCLINED TO ACCEPT THE PROVISIONS FOR AMENDMENT OF THE CONSTITUTION SET OUT IN ART 20 OF THE GROUP B DRAFT, WHICH REQUIRES ACCEPANCE BY TWO-THIRDS OF THE MEMBERSHIP RATHER THAN THREE-FOURTHS AS DSIED BY THE US.

12. SUGGEST REDRAFT PARA 16 TO READ "EMBASSY WOULD APPRECIATE BEING INFORMED OF REACTION OF FONIN TO THIS DEMARCHE IN ADVANCE OF THE OPENING OF COW-II ON MARCH 22".

13. SUGGEST INSERTION BETWEEN 16 AND 17 OF NEW PARA TO READ "EMBASSY SHOULD REPORT REACTION VIA IMMEDIATE CABLE, INFO TO AMEMBASSY VIENNA FOR US MISSION UNIDO AND TO USUN".

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VIENNA 01639 02 OF 02 011557Z

14. SUGGEST REDRAFT PARA 17 TO READ "FOR BONN: UNDERSTAND THAT FRG WILL HOLD INTERMINISTERIAL MEETINGS IN PREPARATION FOR SECOND SESSION COW ON MARCH 16 AND 17. EMBASSY SHOULD CARRY OUT DEMARCHE IN TIME FOR IT TO RECEIVE FULL CONSIDERATION DURING THESE MEETINGS. ALTHOUGH NORMAL CONTACT ON UNIDO MATTERS IN FONMIN WOULD BE EBERHARD KURTH, HE, AS HEAD OF FRG DEL TO UNIDO MEETINGS, IS FULLY FAMILIAR WITH USG CONCERNS. FOR MAXIMUM EFFECTIVENESS, DEPT BELIEVES THAT APPROACH TO FONMIN SHOULD BE CARRIED OUT AT LEVEL SUPERIOR TO KURTH".

15. RE PARA 18 REFTTEL, SUGGESTION VOICED BY JAPANESE REP AT JAN 29 GROUP B MEETING WAS OF A PERSONAL NATURE AND DOES NOT, AS FAR AS WE ARE AWARE, REPRESENT ALTERNATIVE OR INITIATIVE ESPOUSED BY GOJ.

MISSION BELIEVES THAT ADDITION OF ELEMENT CONTAINED
PARA 18 IN APPROACH TO GOJ WOULD BE INAPPROPRIATE
AND SHOULD BE DELETED. STIBRAVY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, INDUSTRIAL DEVELOPMENT, COMMITTEE MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976VIENNA01639
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760077-0469
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197603106/aaaadpuy.tel
Line Count: 280
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 47224
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 23 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 MAR 2004 by CunninFX>; APPROVED <03 AUG 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONSULTATIONS IN SELECTED GROUP B CAPITALS IN PREPARATION FOR COW-II
TAGS: PFOR, PORG, EIND, EAID, US, UNIDO, COW
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006